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23 MAR 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Forthcoming OMB Studies That Concern Intelligence
Production (U)

1. Keith Hall indicated in an informal conversation on 18 March 1981, after a briefing by OSWR that he was being pressured by his management to do two studies of intelligence production sometime this spring. It has not been determined whether there will be a Spring Preview but his anticipated timing for completion of these studies would be around June. Both are of a Community nature and he would include other examiners at OMB, like Bill Mitchell, in the process. (S)

2. The first concerned the lack of effort expended on lower priority countries. He would like to determine what portion of the LDC's or Third World is not being studied at all. He is recommending that all portions of the world be covered by a minimal production effort, which he calls his core level of intelligence. I believe we (O/COMPT & NFAC) could assess the manpower and dollar costs needed to provide this coverage and possibly build a 1983 decision package to cover these resources. (S)

3. The second study concerns competition between intelligence producers. He would like to determine where competition exists, between whom, and is it too much or too little? He will start with DCID 1/2, and list all country/substantive problem sets with a priority 1 or 2 and a selection of those with a priority of 3 through 7. The Community producers will be asked to indicate their level of effort against these problems. These will be analyzed by OMB to determine areas of duplication. Then a determination (by whom?) will be made as to whether this is competition, and if so, is the level of competition proper. On this one I believe the Comptroller's Office should wait and watch, assisting where we can in collecting data and defining the scope of the study. We should allow Keith to push it as far as he can and then assess our options when we see his conclusion, if he is able to reach any. If the new Intelligence Community managers find this a useless exercise then they should kill it at a higher level. Keith thinks this study is responsive to his new management. (S)

[Redacted]
Chief, Intelligence Group

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